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CITY OF WHITTIER  
Whittier, California

Single Audit Report on Expenditures of Federal Awards

Year ended June 30, 2009

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CITY OF WHITTIER

Single Audit Report on Expenditures of Federal Awards

Year ended June 30, 2009

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Honorable Mayor and City Council  
City of Whittier, California

**REPORT ON COMPLIANCE AND OTHER MATTERS AND ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Whittier, California ("City"), as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 15, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

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City of Whittier, California  
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Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily disclose all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the City Council, and City's management and is not intended to be and should not be used by anyone other than these specified parties.

*Nayer Hoffman McClann P.C.*

Irvine, California  
December 15, 2009



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Honorable Mayor and City Council  
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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE  
TO EACH MAJOR PROGRAM, INTERNAL CONTROL OVER COMPLIANCE  
AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
IN ACCORDANCE WITH OMB CIRCULAR A-133**

Compliance

We have audited the compliance of the City of Whittier, California ("City"), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The City's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2009.

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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A control deficiency in an City's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the City's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the City's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

#### Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2009, and have issued our report thereon dated December 15, 2009. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the City of Whittier's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended for the information and use of the City Council, City's management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Mayer Hoffman McCann P.C.*

Irvine, California  
December 15, 2009

CITY OF WHITTIER  
Schedule of Expenditures of Federal Awards  
Year ended June 30, 2009

<u>Federal grantor / pass-through grantor / program title</u>	<u>Federal CFDA Number</u>	<u>Program / Project Identification Number</u>	<u>Program Expenditures</u>	<u>Amount Provided to Subrecipients</u>
<b><u>U.S. Department of Housing and Urban Development</u></b>				
Direct Assistance:				
Community Development Block Grants/ Entitlement Grants	14.218	MC-060533	\$ 1,050,637 *	\$ 64,250
HOME Investment Partnerships Program	14.239	MC-060557	599,917	-
Community Development Block Grants/ Brownfields Economic Development Initiative	14.246	B-05-SP-CA-0386	21,033	-
Subtotal			1,671,587	64,250
<b><u>U.S. Department of Homeland Security</u></b>				
Passed through the State of California Office of Emergency Services:				
Buffer Zone Protection Program (BZPP)	97.078	2006-BZ-T6-0061	1,514,839 *	-
<b><u>U.S. Department of Justice</u></b>				
Direct Assistance:				
Federal Forfeiture	21.000	CA0197600	290,731	-
Bulletproof Vest Partnership Program	16.607	4025305	1,633	-
Subtotal			292,364	-
<b><u>U.S. Environmental Protection Agency</u></b>				
Direct Assistance:				
Superfund State, Political Subdivision, and Indian Tribal Site-Specific Cooperative Agreements	66.802	V-97916001	1,070,134 *	-
State and Tribal Response Program Grants	66.817	XP-97965301-1	72,169	-
Subtotal			1,142,303	-
<b><u>U.S. Institute of Museum and Library Services:</u></b>				
Passed through the California State Library:				
National Leadership Grants	45.312	04-0021-04	47,061	-
Fund for the Improvement of Education	84.215	U215K080282	81,704	-
Subtotal			128,765	-

(Continued)

CITY OF WHITTIER  
Schedule of Expenditures of Federal Awards  
Year ended June 30, 2009

<u>Federal grantor / pass-through grantor / program title</u>	<u>Federal CFDA Number</u>	<u>Program / Project Identification Number</u>	<u>Program Expenditures</u>	<u>Amount Provided to Subrecipients</u>
<b><u>U.S. Department of Transportation</u></b>				
Passed through the State of California Department of Transportation				
Highway Planning and Construction:				
Highway Planning and Construction	20.205	STPLG-5111	451,419	-
Pickering Avenue at Bailey Street	20.205	STPLG-5111(022)	61,620	-
Philadelphia Street et al	20.205	STPLG-5111(035)	379,485	-
Lambert Road at Santa Gertrudes	20.205	HSIPL-5111(040)	18,697	-
Transportation Enhancement Act (TEA)	20.205	RSTPLE-5000(33)	723,145	-
00 STIP Transportation	20.205	RSTPLE-5111(020)	92,081	-
Subtotal			1,726,447	-
Passed through the State of California Office of Traffic Safety:				
Click It or Ticket Program	20.600	CTO71913	11,471	-
Click It or Ticket Program	20.600	CTO71914	10,806	-
Selective Traffic Enforcement Program (STEP)	20.600	PT0822	145,524	-
Subtotal			167,801	-
<b><u>U.S. Department of Interior</u></b>				
Direct Assistance:				
Outdoor Recreation-Acquisition, Development and Planning	15.916	H8093030013	1,475	-
Total Federal Awards			\$ 6,645,581	\$ 64,250

\* - Major Program

See accompanying notes to the schedule of expenditures of federal awards



## CITY OF WHITTIER

### Notes to the Schedule of Expenditures of Federal Awards

Year ended June 30, 2009

(1) Summary of Significant Accounting Policies Applicable to the Schedule of Expenditures of Federal Awards

(a) Scope of Presentation

The accompanying schedule presents only the expenditures incurred by the City of Whittier that are reimbursable under federal programs of federal awards. For the purposes of this schedule, federal awards include both federal awards received directly from a federal agency, as well as federal funds received indirectly by the City from a non-federal agency or other organization. Only the portions of program expenditures reimbursable with such federal funds are reported in the accompanying schedule. Program expenditures in excess of the maximum federal reimbursement authorized or the portion of the program expenditures that were funded with state, local or other non-federal funds are excluded from the accompanying schedule.

(b) Basis of Accounting

The expenditures included in the accompanying schedule were reported on the modified accrual basis of accounting. Under the modified accrual basis of accounting, expenditures are incurred when the City becomes obligated for payment as a result of the receipt of the related goods and services. Expenditures reported include any property or equipment acquisitions incurred under the federal program.

(c) Subrecipients

The City of Whittier incurred \$64,250 of Community Development Block Grant (CFDA No. 14.218) expenditures that were paid to three subrecipients during the year ended June 30, 2009.

CITY OF WHITTIER

Schedule of Findings and Questioned Costs

Year ended June 30, 2009

(A) Summary of Auditors' Results

1. An unqualified report was issued by the auditors on the financial statements of the auditee.
2. There were no material weaknesses in internal control over financial reporting identified in internal controls as a result of the audit of the financial statements.
3. The audit disclosed no noncompliance which is material to the financial statements of the auditee.
4. There was no material weakness in internal control over the major programs of the auditee.
5. An unqualified report was issued by the auditors on compliance for the major programs.
6. The audit disclosed no audit findings which the auditor is required to report under paragraph .510(a) of OMB Circular A-133.
7. The major programs of the auditee were CFDA No. 14.218, U.S. Department of Housing and Urban Development – Community Development Block Grants/Entitlement Grants; CFDA No. 97.078, U.S. Department of Homeland Security – Buffer Zone Protection Program (BZPP); and CFDA No. 66.802, U.S. Environmental Protection Agency – Superfund State, Political Subdivision, and Indian Tribal Site-Specific Cooperative Agreements.
8. The dollar threshold used to distinguish Type A and Type B programs was \$300,000.
9. The auditee was considered a low risk auditee for the year ended June 30, 2009 for purposes of major program determination.

CITY OF WHITTIER

Schedule of Findings and Questioned Costs

(Continued)

(B) Findings Related to the Financial Statements which are Required to be Reported in Accordance with GAGAS

There are no auditors' findings required to be reported in accordance with GAGAS.

(C) Findings and Questioned Costs for Federal Awards as Defined in Paragraph .510(a) at OMB Circular A-133

There are no auditors' findings required to be reported in accordance with paragraph .510(a) of OMB Circular A-133.

CITY OF WHITTIER

Summary Schedule of Prior Audit Findings

Year ended June 30, 2009

Status of Prior Year Audit Findings:

There were no prior audit findings required to be reported in accordance with paragraph .510(a) of OMB Circular A-133.